

December 10, 2014

Item No. 9

AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR ACCESS HOUSING

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1.) execute an Agreement to enter into a Housing Assistance Payments Contract (AHAP) for Access Housing; 2.) execute a Housing Assistance Payments Contract (HAP) for Access Housing and 3.) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investment to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for people with disabilities by providing Property Rental Assistance (PRA) for 38 apartments as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Access Housing	Logan Square; Hermosa; Humboldt Park /35 th /Rey Colon	Home First Illinois (HFI)/IFF	People with Disabilities	23	33
	Logan Square; Hermosa; Humboldt Park /26 th /Roberto Maldonado			9	13
	Logan Square; West Town/1 st /Joe Moreno			5	6
	Logan Square /31 st /Ray Suarez			1	2

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Access Housing	HCV	30 Years	AHAP/HAP Contract	\$445,020/year	\$18,053,607 (30 years)	June 2014

Initial contract rents will be determined by market comparables and fair market rents applicable at the time the HAP contract is executed. All rent determinations will comply with federal regulations and Chicago Housing Authority (CHA) policy.

Proposed Development: Access Housing

- Board approved a preliminary commitment letter from CHA in July 2013 to Home First Illinois, LLC, an Illinois limited liability company (HFI). HFI has obtained the necessary funds from Illinois Development Housing Authority (IHDA) to develop 54 total units, 38 of which will be PRA-assisted, 12 will receive rental subsidy from the State Mental Health Division, and 4 will have reduced rents via the IHDA Trust Fund program for people at or below 15% AMI.
- The project will be a combination of substantial rehabilitation and new construction on vacant lots or on parcels where existing building will be demolished.
- HFI has acquired 25 total scattered sites in Logan Square, Hermosa, Humboldt Park and West Town. Of these, 7 sites are vacant lots, 6 sites have properties to be demolished and 12 sites have 2 or 3-flats to be rehabbed.
- After construction, the development will consist of 21 two-flats plus one coach house, 2 three-flats, 1 four-flat and 1 two-flat with a residential unit on the second level and a property management office on the first floor, which is currently zoned for commercial use on the ground floor. Each of the 13 newly constructed buildings will have ADA accessible units at grade level.
- The PRA mix will be comprised of 11 one-bedroom and 27 two-bedroom units.
- These units will count toward CHA's 200-unit Section 811 commitment to the State.

Developer Background

- HFI, a subsidiary of IFF, an Illinois not-for-profit corporation, was created to develop and own supportive housing for very low-income people with disabilities.
- HFI is the owner of Illinois Accessible Housing Initiative Phase I & II, which consists of 45 scattered condo units. All 20 units in Phase I are now leased and occupied under a PRA HAP contract. Phase II is underway and expected to be complete in the first quarter of 2015.
- The units will be managed by Affordable Property Management Specialists, which has been in business since 2006 and currently manages 4 LIHTC projects in 10 buildings totaling 275 units in the City.

Developer Financing

- Low Income Housing Tax Credit Equity: \$15.4M
- First Mortgage: \$1.6M
- IHDA Trust Fund: \$1.2 M
- Weinberg Grant: \$500,000
- Federal Home Loan Bank: \$10,000
- State Donation Tax Credits: \$154,000
- Deferred Developer Fee: \$505,000

Waiting List / Occupancy Process

It is the intent of the owner/manager of Access Housing to lease all of the PRA-assisted units to disabled applicants that are Olmstead Class Members referred through the State of Illinois. Any applicants that are also on CHA's waiting list will be given a priority preference.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an AHAP and HAP contract for Access Housing.

The CEO/President recommends the approval to execute an AHAP and HAP contract for Access Housing.

RESOLUTION NO. 2014-CHA-125

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated December 10, 2014 requesting authorization to execute an AHAP and HAP contract for Access Housing;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute an AHAP and HAP contract for Access Housing.



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